

DD/ST# 3432-64

9 December 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Notes on the "Mark-up" of the FY 66 Budget
By the Bureau of the Budget

25X1A1a 1. The original request by the Agency to the Bureau
25X1A1a of the Budget was for [REDACTED] for operations and
[REDACTED] in Reserve. Bureau of the Budget examiners
25X1A1a changed these amounts by marking down operations to
\$ [REDACTED] and, for some unknown reason, increasing the
25X1A1a Reserve to [REDACTED] the net result being a [REDACTED]
25X1A1a reduction for operations and a [REDACTED] increase in the
25X1A1a Reserve.

25X1A1a 2. OBPAM states there is a possibility that we will
ask for a reinstatement of up to [REDACTED]--this is about
25X1A1a all of the [REDACTED] reduction that they feel the DCI
will support. A logical course of events, and one that is
25X1A1a being conjectured, is that the Bureau of the Budget will
then say that it will allow a [REDACTED] increase in its
25X1A1a established ceiling of [REDACTED] for operations, and
25X1A1a release the [REDACTED] in Reserve. This would make a
25X1A1a total of [REDACTED] increase to the [REDACTED] for a total
25X1A1a operating budget in FY 66 of [REDACTED] million.

~~SECRET~~

Page 2

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25X1A1a 3. A statement has been made that, upon justification
of individual projects, an additional [REDACTED] would
be released from the Agency Reserve held by the BOB.
While this statement was vague and unsupportable, it may
25X1A6a reflect that operations such as [REDACTED] will, upon
justification, be approved for funding supplemental to
the [REDACTED]
25X1A1a 4. Of the [REDACTED] cut by the BOB, about [REDACTED]
25X1A1a [REDACTED] was attributable to arithmetic related to personnel.
25X1A1a By computation of underslotting in grade (GS-5 in GS-6
slot), failure to fill positions for the full year (A.E.
figures), and a 20 per cent cut in allowed overtime,
25X1A1a [REDACTED] was arrived at. The importance of this cut
could be negligible if one believes that the Agency sub-
mission allowed for a higher factor in A.E. and slotting
than was realistic.
25X1A1a 5. DD/S&T request went in for [REDACTED] and was
25X1A1a cut [REDACTED] for a total of [REDACTED] It is
25X1A1a interesting that the [REDACTED] cut equates to almost
25X1A1a exactly 50 per cent of the requested increase of [REDACTED]
25X1A1a [REDACTED] for our FY 66 over FY 65 figures. The correlation
is too close to be ignored.

Page 3

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6. An academic exercise that produced an interesting figure was performed and we found that whereas the Agency Budget was cut 7.15 per cent, DD/S&T figure was cut 8.8 per cent. We have no way of knowing the relationship between the requested increases of the Agency as a whole-- we do know that we were requesting 20 per cent and ended up with about a 10 per cent increase.

7. Some remarks pertinent to the mark-ups as we received them from OBPAM are as follows:

25X1A1a
25X1A2d2
25X1A2d2

OCS - [REDACTED] - [REDACTED] - no damage here as the [REDACTED] is part of the 360 system which we intend to lease or purchase during FY 66.

25X1A1a 25X1A2d2 [REDACTED] - [REDACTED] - a serious cut to an R&D project that should go forward for total Agency benefit. DD/S&T is not a prime loser and [REDACTED] who handles DD/I budget as well as DD/S&T, will undertake reclama action from DD/I.

25X1A1a OSA - [REDACTED] - Travel--OSA states this needed urgently for [REDACTED] Program. Reclama action started for [REDACTED]

Page 4

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25X1A1a 25X1A2d2	<u>OEL</u>	-	[REDACTED]	-	[REDACTED] poorly defended in hearings. [REDACTED] x'd it out while we were watching.	25X1A9a
25X1A9a				-	Signal Analysis--being reclaimed	
				-	[REDACTED] Contract--no damage.	
	<u>FMSAC</u>	-		-	Radar Signature Analysis	
25X1A2d2	<u>ORD</u>	-		-	[REDACTED]--being reclaimed.	
				-	Life Sciences--being reclaimed.	
				-	Analysis-- being reclaimed	
				-	Space Countermeasures and Weather Characteristics Projects--not critical.	
25X1A2d2	<u>OSI</u>	-		-	[REDACTED] will probably be reinstated or funded from other sources. [REDACTED] cuts based on low priority this work--always under attack.	
25X1A2d2						

PP/DD/S&T